

# Is Real Estate a Good Retirement Investment?

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Just about every financial advisor out there recommends investing real estate for retirement. One survey found that [89% of US investors](#) are interested in putting their money in real estate. I've owned many rental properties in the past, which makes me have mixed feelings about this asset class. That said, if you think it's fun to spot bargains and fix up properties for profit, investing in real estate for retirement might be a good choice for you.

Just make sure you consider some important factors:

## Time Investment

If you're hoping to invest in real estate for retirement while keeping your day job, let me tell you from experience it's a challenge. **I once owned more than 50 rental properties and was involved in every aspect of the business. It was difficult to delegate authority, and at times it felt like the properties owned me.**

In addition to sucking up your waking hours, real estate is a time investment because it can take years to turn a significant profit. If you're already approaching retirement age and need to boost your savings, real estate might not help you.

## Knowledge

If you don't already have the know-how to succeed in real estate investment, you're going to need help. The same survey that said 89% of investors are interested in real estate revealed that many also expected a real estate agent to [provide advice](#) on managing the investment, guidance on terms, and down payment advice. People are enthusiastic to invest, but there's a serious knowledge gap.

Succeeding with real estate requires a multifaceted skillset, and it's not something you can get overnight. You'll need to read books, attend seminars, and sift through all the real estate wisdom out there to find the true gems.

Even then, if you don't already have a knack for spotting lucrative properties and acting on the opportunity, all that learning can't help you.

## Property Condition

Are you thinking of purchasing fixer-uppers or finding property in a better condition? Purchasing ready-to-go residential Real Estate will save you a lot of hassle, but it's still time consuming and low yield. If you want to leverage your time and money to boost retirement savings, this won't be the way to go.

Developing or rehabbing property can bring in significant return on investment, but of course there's more risk. You need to put in your time and money, and there's always the possibility the return isn't worth the effort.

## Financial Investment

Maybe you've heard the saying "real estate takes deep pockets." It's true.

Your rental properties need repair, and could become vacant when you have a mortgage to pay. And there's property taxes to think about.

[If you're a mid or late career professional](#), leveraging isn't really an option. You don't have the time to turn borrowed money into profit to save for retirement. Not to mention the serious risk if you use too much leverage and lose your properties.

## The Bottom Line

If you think investing in real estate for retirement is the right choice for you, just remember that local markets are very competitive. Annual yield for rental property in the US is [9.4%](#), in some places, much lower. And that number doesn't take into account operating expenses, so don't be surprised if your cash flow is around zero after taxes.

To me, it looks like today's real estate market is a better place to store wealth than create it, which won't help you much in boosting your retirement savings.

**Investing in real estate for retirement is difficult to scale, but if you have the right edge, it can definitely be worthwhile.**

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